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Tourism and the Economic Valuation of Cultural Heritage

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Summary

This dissertation has focused on the themes of tourism destination choice, tourism trip analysis, the economic valuation of cultural heritage, and the location dynamics of stores in relation to cultural heritage in the Netherlands. In the introduction of this dissertation four main research questions were posed. The first question was: *What determines the probability of taking a vacation, either foreign or domestic and the expenditures of Dutch households on vacations?*

This question was covered in Chapter 2, which provided a brief review of Dutch vacation behaviour over the past 30 years, and presented the results of different statistical models for determining the probabilities of destination choice and the number of vacations, and of the expenditures conditional on the destination and the number of vacations. The results from Chapter 2 indicated that the participation rate in domestic vacations and the associated (real) expenditure has not increased much since 1990. Clearly, the market for domestic tourism in the Netherlands is a mature one. Most of the households participate in a vacation (84.5%). 19.7% of the households in our sample only choose to go on a domestic vacation; 29.7% only take a vacation abroad; and around one third, 35.1% participate in both a domestic vacation and a vacation abroad. With an increase in income, the participation probability of taking domestic vacations declines and that of taking vacations abroad increases. And more education increases the probability of taking a vacation abroad. The more days a household spends on vacation, the higher the probability of taking both domestic and foreign vacations.

In the second part of Chapter 2 we modelled the decision on the level of vacation expenditures for domestic vacations and vacations abroad. The expenditures on vacations do not increase proportionally to a rise in income, but increase at a lower rate. Expenditures increase with income, but when two vacations are undertaken, the vacation abroad benefits most from this increase. For only domestic participation the budget share shows a minor increase for the higher income levels. Our results are in line with a wider European study of Eugenio-Martin and Campos-Soria (2010), who also stated that research is needed on European countries individually, in order to compare tourist behaviour and come to a more complete overview. Performing this or similar research in other countries would contribute to this. As well as this extension in width, an extension in the depth of the analysis is possible. While here we have modelled the decision to participate, where to go, and how much to spend separately, an

extension for further research in the field of vacation behaviour would be to estimate simultaneously in one model the decision whether to go on vacation or not, the choice of destination, and the decision on the level of expenditures.

The second main research question was divided into three topics discussed in turn over the course of three chapters, and was expressed as: *What is the contribution of cultural heritage to the destination choice of Dutch households?* We used discrete choice modelling methods to investigate the determinants of vacation and recreation destination choice, while focusing on the role of cultural heritage. Our models allow for unobserved amenities of the destinations, and take into account the heterogeneity of preferences among the tourists. The number of listed monuments, the number of museums, and the total area of protected cityscape or townscape in the tourist destination area were used as indicators for cultural heritage. In Chapter 3 we first focused on Dutch tourists who had an overnight stay. We find a significant impact of cultural heritage on holiday destination choice. Of the three heritage variables used in our estimations, the area of protected cityscape best captures a potential tourist's imagination when thinking of visiting a destination with an ensemble of built heritage, as in old cities or towns. It is in these areas that one most often finds the distinguishing characteristics of a destination, such as specialized shops or restaurants. Our estimates imply that an increase of 0.25 km² of protected cityscape at a certain destination increases the willingness-to-travel (WTT) over there by 38 kilometres.

In Chapter 4 we focused on Dutch recreationists during a one-day recreation trip in an urban environment. We studied the destination choices of urban recreation trips that have urban recreation as the main travel motive. We estimated a discrete choice model for destination choice that took into account the potential importance of unobserved characteristics. The model allowed us to compute the marginal WTT to destinations that offer more cultural heritage, which we measured as the area of the inner city that has a protected status because of the cultural heritage that is present there. Our results showed that the Dutch recreationists are willing to travel additional kilometres for a destination with more cultural heritage, and we provided estimates of this effect in this chapter in Table 4.5. Our model confirmed that the number of catering facilities also attracts visitors to the city. The visitors attracted to a city in the first place by its cultural heritage will, through their additional expenditure, contribute to the number and probably also to the diversity of the shopping and catering facilities. This means that there is a multiplier effect of

cultural heritage on the attractiveness of cities via its impact on shopping and catering. However, our results also indicate that a high combination of cultural heritage and shops makes a city less attractive for visitors, which is an important issue for further investigation.

In Chapter 5 we focused on Dutch recreationists during a one-day recreation trip in a rural environment. We studied the role of distinct landscape values in nature-based outdoor recreation destination choice. We concentrated on those characteristics that reflect the landscape's identity, such as its natural (or ecological) quality, cultural-historical value, and composition. We estimate a discrete choice model that takes into account the possible presence of unobserved characteristics, and use the results to investigate current Dutch policy that designates particular recreational areas as hotspots. Our results indicate that different kinds of attributes matter to the consumer. First of all, travel distance appears to be crucially important for this purpose. Of course, the disutility attached to travel distance is smaller on certain occasions, such as on days with high temperatures. Next, the composition of landscape also matters, as our measure of landscape diversity shows. And destinations with extensive cultural-historical value are preferred, which justifies investments in cultural heritage in outdoor areas, as these are likely to reap external benefits. Our analysis also shows that landscape size is important, which corresponds with our prior beliefs that consumers value destinations that are larger in size as the effect of skyline disturbance is minimized there.

In Chapter 6 we turned our attention away from discrete choice models, and focused on tourist expenditure analysis. We arrived at the third main research question: *What differences are there in expenditures for tourists with different trip purposes who visit the Amsterdam Metropolitan Area?* In this chapter we studied the expenditure patterns of tourists with different initial trip purposes. We used a two-step approach, in which we analysed, first, the total daily amount of expenditure; and, second, the budget shares of various categories in this total. The categories include accommodation, food, transport and parking, shopping, museum visits, theatre visits, clubbing, and the use of cannabis. We made use of survey data collected for the Amsterdam Metropolitan Area, a large Western European city region known for its rich cultural heritage. The results showed that the activities that tourists undertake are not limited to their stated trip purposes. And the econometric analysis showed that initial trip purposes have an effect on tourism expenditure patterns, and that different types of tourist groups allocate budget shares differently. With a higher budget per person per day, a larger share of the budget is

allocated to accommodation, shopping, theatres and clubbing, and less to food, transport and parking, museums, and cannabis.

The final main research question was strongly related to one of the main tourist activities: namely, shopping and we focused particularly on store dynamics. The question was: *What is the contribution of cultural heritage to the location dynamics of stores in the Netherlands?* The results of the study described in Chapter 7 show that neighbourhoods with a rich cultural heritage, in the form of protected cityscape or national monuments within their boundaries, have more stores, have a more positive change in the number of stores, have less vacancy, and have a lower growth in vacancy rates. In particular, the change in the number of clothing/fashion stores is positively related to the presence of protected cityscape in a neighbourhood. Storeowners or retail entrepreneurs apparently have a preference for cultural heritage richer locations. Population size and growth have in general a significantly positive relationship to the number of shops, and the change in the number of shops in a neighbourhood.

In short, this dissertation has four important highlights:

1. We determine and estimate vacation choice behaviour in relation to income and other household characteristics
2. We substantiate the importance of cultural heritage for destination choice for overnight and day trips to urban and rural destinations.
3. We emphasize the relationship between self-stated travel motives and expenditures on tourist activities, such as visits to museums.
4. We show the importance of cultural heritage for store dynamics.